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USTR 2001 TRADE POLICY AGENDA AND 2000 ANNUAL REPORT

President Bush today transmitted to Congress the 2001 Trade Policy Agenda and the 2000 Annual Report of the President of the United States on the Trade Agreements Program. Prepared pursuant to the Trade Act of 1974, as amended, the document outlines the Bush Administration's guiding principles and trade priorities for the year ahead and reviews the principal trade policy developments of 2000.

Ambassador Zoellick's Overview statement on the 2001 trade agenda highlights the following key points:

" The United States faces key decisions about the future course of our trade policy. Just as the World War II generation forged a bipartisan consensus that sustained successful trade expansion throughout the Cold War, we must build a new consensus to promote open markets for trade in the decades to come.

" The Bush administration is strongly committed to a trade policy that will remove trade barriers in foreign markets, while further liberalizing our market at home.

" There are three principal reasons why further trade liberalization is important to the American people:

First, expanded trade – imports as well as exports – improves the well-being of Americans. Exports accounted for over one-quarter of U.S. economic growth over the last decade and support an estimated 12 million American jobs. In the American agricultural sector, one in three acres are planted for export purposes, and last year American farmers sold more than \$50 billion worth of agricultural products in foreign markets. Export-related jobs pay 13 to 18 percent more than other jobs.

Second, as President Bush has stated, free trade is about freedom. Economic freedom creates habits of liberty and habits of liberty create expectations of democracy.

Third, expanded trade affects our nation's security. The crises of the first 45 years of the last century were inextricably linked with hostile protectionism and national socialism. Today, Colombia is waging a battle to defend the rule of law against groups that finance their terror through drug trafficking. One of the tools Colombia needs is a renewed and robust Andean Trade Preferences Act.

" The benefits of open trade can only be achieved if we build public support for trade at home. To do so, we must enforce, vigorously and with dispatch, our trade laws against unfair practices.

" The economic benefits derived from open markets extend to all countries, but there are other non-economic benefits as well. The history of the past century shows that as less-developed countries have grown wealthier, they have also become more sensitive to workers' rights and environmental protection. When countries open markets, they also open their societies to ideas about private and civic causes – including labor movements and environmental protection.

" Just as we explain how and why trade benefits emerging markets, we need to show the American people how and why it benefits the domestic market. And we need to help people to adapt and to benefit from change – whether prompted by trade, technology, e-commerce, or new business models.

" Central to the Administration's trade agenda is reestablishing the bipartisan Executive-Congressional negotiating partnership that has accomplished so much. One of the top priorities is to reestablish trade promotion authority for the President, based on the fast track precedent, with the broadest possible support. In the absence of this authority, other countries have been moving forward with trade agreements while America has stalled. The United States cannot afford to stand still or be mired in partisan division while other nations seize the mantle of trade leadership.

" On April 20th, President Bush will attend the Summit of the Americas meeting in Quebec City. He has emphasized that to set a new course for this hemisphere, he needs to hold out the prospect in Quebec City that new trade promotion authority is on its way. One of the goals of this administration will be to forge free trade with all the nations of our hemisphere through the Free Trade Area of the Americas (FTAA) and other agreements, such as the current negotiation of a comprehensive free trade agreement with Chile.

" The United States currently has an unparalleled opportunity to shape the international trading order. But we are in danger of being left behind. There was a time when U.S. involvement in international trade negotiations was a prerequisite for them to succeed. That is no longer true. Indeed, other countries are writing the rules of the international trading system as they negotiate without us. In the long run, that hurts American businesses and farmers, as they will find themselves shut out of the many preferential trade and investment agreements negotiated by our

trading partners.

“ If other countries go ahead with free trade agreements and the United States does not, we must blame ourselves. We have to get back into this game and take the lead. We are certainly in a position to do so.

Note: copies of the 2001 Trade Policy Agenda and the 2000 Annual Report will be available on the USTR Web Site (www.ustr.gov). Bound copies of the report will be available in approximately 10 days. In the interim, a limited number of stapled copies are available from the USTR Office of Public Affairs: 600 17th Street, N.W., Washington, D.C., room 103.